Attachment 1

CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

BOARD OF ADMINISTRATION

INVESTMENT COMMITTEE

November 13, 2007

Chief Investment Officer's

Consolidated Investment Activity Report

(September 2007 Reporting Period)

Market Environment – September 30, 2007

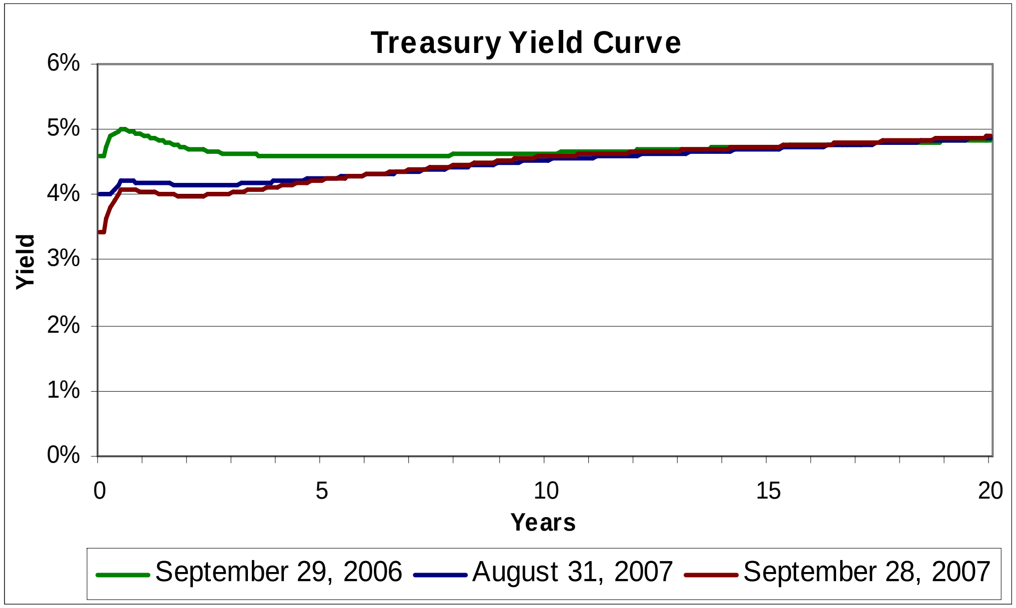
General Market Commentary
September saw the US Federal Reserve make a rate cut in the Fed Funds rate from 5.25% to 4.75%. It was the first such action taken by the Federal Reserve since pausing back in June of 2006. Consumer inflation increased by 0.3% during the month of September. Oil prices continued to increase and closed the quarter at just below $82 a barrel.

Domestic and International Equities
Despite the concerns over the subprime mortgage loan market in the U.S., equities posted solid gains for the month of September. The U.S. equity market posted a positive gain for the entire month of 3.74% (as measured by the S&P 500). Growth continued its trend of outperforming value stocks as seen by the R1000G's return of 4.19% versus the R1000V's return of 3.44%. Developed international markets bounced back from a negative return in August with a 5.37% return (as measured by the MSCI EAFE Index.) The emerging markets roared back with a 10.97% (as measured by the MCSI EM Index) return for September in part benefiting from the declining U.S. dollar.

Domestic and International Fixed Income
The 10-Year U.S. Treasury Yield rose slightly to 4.58% in September as the markets stabilized. The Lehman Brothers Aggregate Bond Index returned a positive 0.76% return during September. US TIPS were up 1.33% (LB US TIPS) for the month. The high yield market returned 2.44% during the month, as measured by the Merrill Lynch High Yield Master II Index. International fixed income markets returned 2.95%, as measured by the Citigroup World Government Bond Index ex US (unhedged).

Real Estate
Real estate (as measured by the MSCI US REIT Index) returned a 4.35% in September. The NCREIF Index of Real Estate Properties returned a positive 4.59% for the quarter ended June 2007.

Private Equity and Absolute Return Strategies
The Venture Economics All Private Equity Index returned 23.17% for the 12 months ended March 2007 and 15.80% for the 10 years ended March 2007. Absolute Return Strategies (CSFB/Tremont Hedge Fund Index) returned 2.71% in September and 16.30% for the 12 months ended September 2007.



MARKET INDICATORS	9/29/2006	Direction	8/31/2007	Direction	9/28/2007
1m LIBOR (fixed in $)	5.32%	▲	5.72%	▼	5.12%
Federal Funds	5.25%	—	5.25%	▼	4.75%
10Y Treasury Note Yield	4.63%	▼	4.54%	▲	4.58%
30Y Treasury Bond Yield	4.77%	▲	4.83%	—	4.83%
DJ-Wilshire 5000 Comp	13,322.49	▲	14,807.65	▲	15,317.78
S&P 500	1,335.85	▲	1,473.99	▲	1,526.75
NASDAQ Composite	2,258.43	▲	2,596.36	▲	2,701.50
FTSE 100 Index	5,960.80	▲	6,303.30	▲	6,466.80
Nikkei 225 Index	16,127.58	▲	16,569.09	▲	16,785.69
Yen/$ (Dollar Strength)	117.990	▼	115.830	▼	114.970
Euro/$ (Dollar Strength)	0.788	▼	0.733	▼	0.703
GBP/$ (Dollar Strength)	0.534	▼	0.496	▼	0.490
Crude Oil per Barrel	$ 62.91	▲	$ 74.04	▲	$ 81.66
Gold ($/oz Daily Spot)	$ 599.25	▲	$ 672.00	▲	$ 743.00
GS Commodities Index	$ 428.05	▲	$ 495.31	▲	$ 546.13

CalPERS Asset Allocation – September 30, 2007

Summary

- Total Fund Market Value was $254.6 Billion
- Total Fund Book Value was $199.3 Billion
- All Asset Classes are within their permissible ranges relative to target ranges and strategic target levels.

Book to Market Value Comparison

	Book Value ($ Billion)	Market Value ($ Billion)	Effective Market Value ($ Billion)	Difference (Market – Book) ($ Billion)
Cash Equivalents	**$2.5**	**$2.5**	**$0.3**	**$0.0**
Domestic Fixed Income	$57.9	$59.7	$59.7	$1.8
International Fixed Income	$6.9	$7.2	$7.2	$0.3
Global Fixed Income	**$64.8**	**$67.0**	**$67.0**	**$2.2**
AIM	$19.8	$19.2	$19.2	-$0.6
Domestic Equity[1]	$54.9	$93.1	$94.5	$38.2
International Equity	$40.1	$52.6	$53.3	$12.5
Global Equity	**$114.8**	**$164.9**	**$167.0**	**$50.1**
Real Estate	**$17.3**	**$20.4**	**$20.4**	**$3.1**
Total Fund	**$199.3**	**$254.6**	**$254.6**	**$55.3**

[1] Included is MDP Investment - LM Capital Investment: Total Book Value**=$197.3 million,** Total Market Value**=$197.0 million**.

* Figures for this report are rounded for viewing purposes. Calculations are based on actual values. When summing net amounts on this report, there may be breakage.

Top Company Exposures

- As a very significant institutional investor, CalPERS has large exposures to the securities of many corporations either through internal or externally managed portfolios. Consistent with board requested information and in support of the Board of Administration's oversight role, a schedule of the top 20 company exposures is prepared for informational purposes and can be found on Page 4.

CalPERS Total Fund Top 20 Company Exposures

Based on Total Market Values as of 9/30/2007

Company Name	Equity Exposure: Internally Managed Active	Internally Managed Passive	Externally Managed Active	Total Equity Market Value	Fixed Income Exposure: Internal	External	Sec. Lending(2)	Total FI Market Value	Real Estate Exposure (1)	TOTAL Market Value	% of Total Fund(3)
GENERAL ELECTRIC	201,712,847	1,350,684,936	336,338,651	1,888,736,434	352,999,656	32,281,585	973,994,257	1,359,275,498		**3,248,011,932**	0.89%
EXXON MOBIL CORP	329,560,620	1,681,009,928	431,495,560	2,442,066,108				0		**2,442,066,108**	0.96%
CITIGROUP INC	107,277,342	736,946,369	226,730,514	1,070,954,225	158,518,605	20,033,188	274,210,750	452,762,543		**1,523,716,768**	0.49%
MICROSOFT CORP	210,952,955	899,189,904	245,223,950	1,355,366,809				0		**1,355,366,809**	0.53%
BANK OF AMERICA CORP	105,244,618	723,048,491	186,655,828	1,014,948,937	179,758,534	9,766,272		189,524,806		**1,204,473,743**	0.47%
AT&T INC	118,674,261	836,557,551	240,387,988	1,195,619,800				0		**1,195,619,800**	0.47%
BERKSHIRE HATHAWAY	234,039,140	585,913,440	2,370,200	822,322,780	304,812,813		49,995,085	354,807,898		**1,177,130,678**	0.44%
AMERICAN INTL GROUP INC	104,691,893	559,085,307	147,194,832	810,972,032	113,107,617	8,670,043	100,046,000	221,823,660		**1,032,795,692**	0.37%
JPMORGAN CHASE & CO	66,482,483	504,965,432	202,630,702	774,078,617	140,013,146	4,114,813	99,629,520	243,757,479		**1,017,836,096**	0.36%
WAL MART STORES INC	119,833,930	578,348,532	125,603,228	823,785,690	178,217,708			178,217,708		**1,002,003,398**	0.39%
CHEVRONTEXACO CORP	139,986,883	643,709,307	206,052,398	989,748,588				0		**989,748,588**	0.39%
PROCTER + GAMBLE CO	65,933,621	705,700,118	151,528,960	923,162,699	14,110,126			14,110,126		**937,272,825**	0.37%
CISCO SYSTEMS INC.	54,967,600	646,678,032	209,302,647	910,948,279	14,640,231			14,640,231		**925,588,510**	0.36%
CONOCOPHILLIPS	86,005,209	466,701,176	128,543,641	681,250,026	233,716,417			233,716,417		**914,966,443**	0.36%
PFIZER INC	112,051,933	553,974,680	189,145,391	855,172,004	16,126,237			16,126,237		**871,298,241**	0.34%
JOHNSON + JOHNSON	90,817,833	605,899,854	155,007,653	851,725,340	13,092,899			13,092,899		**864,818,239**	0.34%
INTERNATIONAL BUSINESS I	141,996,473	531,796,320	173,761,361	847,554,154	7,793,224	6,286,880		14,080,104		**861,634,258**	0.34%
VERIZON COMMUNICATIONS	43,399,094	396,590,278	113,842,640	553,832,012	258,121,591			258,121,591		**811,953,603**	0.32%
GOOGLE INC.	74,573,314	553,405,921	136,654,208	764,633,443				0		**764,633,443**	0.30%
AMERICAN EXPRESS CO	60,127,917	226,829,022	27,669,389	314,626,328			425,756,500	425,756,500		**740,382,828**	0.12%

(1) Real Estate exposure data only includes the 20 companies with the highest annual lease revenues for each core partnership, excludes properties in escrow. The market value exposures are calculated based only on two years of expected lease revenues.

(2) Does not include Repos

(3) Excludes securities lending exposure

CalPERS

Asset Allocation as of September 30, 2007

Total Fund Market Value: **$254,626,631,250**

	Global Equity [1]	Domestic Equity	International Equity	AIM	Global Fixed	Domestic Fixed	International Fixed	Cash [2,5]	Real Estate	Total Fund
Strategic Target Range %	**61-71%**			3-9%	**21-31%**				**4-12%**	
Strategic Target %	66.0%	40.0%	20.0%	6.0%	26.0%	23.0%	3.0%	0.0%	8.0%	N/A
Cash Market Investment %	64.7%	36.5%	20.7%	7.5%	26.3%	23.5%	2.8%	1.0%	8.0%	N/A
Tactical Overlay %	0.8%	0.6%	0.3%					(0.8%)		N/A
Effective Investment %	65.6%	37.1%	20.9%	7.5%	26.3%	23.5%	2.8%	0.1%	8.0%	N/A
Variance % (Strategic vs. Effective)	**(0.4%)**	**(2.9%)**	**0.9%**	**1.5%**	**0.3%**	**0.5%**	**(0.2%)**	**0.1%**	**(0.0%)**	N/A
Strategic Target $ [3]	$168.1	$101.9	$50.9	$15.3	$66.2	$58.6	$7.6	$.0	$20.4	N/A
Cash Market Investment $ [3,4]	$164.9	$93.1	$52.6	$19.2	$67.0	$59.7	$7.2	$2.5	$20.4	N/A
Tactical Overlay $ [3]	$2.1	$1.4	$0.7					($2.1)		N/A
Effective Investment $ [3,4]	$167.0	$94.5	$53.3	$19.2	$67.0	$59.7	$7.2	$0.3	$20.4	N/A
Variance $(Strategic vs. Effective) [3,4]	**($1.1)**	**($7.4)**	**$2.4**	**$3.9**	**$0.8**	**$1.2**	**($0.4)**	**$0.3**	**($0.0)**	N/A
% Passive	52.8%	67.7%	45.8%	0.0%	0.0%	0.0%	0.0%	0.0%	6.1%	34.2%
% Active	47.2%	32.3%	54.2%	100.0%	100.0%	100.0%	100.0%	100.0%	93.9%	65.8%
% Internal	57.3%	73.5%	49.4%	0.0%	89.2%	100.0%	0.0%	100.0%	6.1%	62.0%
% External	42.7%	26.5%	50.6%	100.0%	10.8%	0.0%	100.0%	0.0%	93.9%	38.0%

* Figures for this report are rounded for viewing purposes. Calculations are based on actual values.

* When summing amounts on this report, there may be breakage.

* MDP Venture accounts included in MDP's primary asset class. MDP Fixed, CalPERS Hedge Fund, and Enhanced Index Equity roll to External Domestic Equity.

[1] Includes AIM

[2] Cash includes SMIF at STO.

[3] ($ Billion)

[4] Based upon Trade Date Accounting as recommended by CFA Institute GIPS Standards.

[5] Approximately $2.1 Billion notional in Equity Futures were purchased to equitize cash.

Private Market Commitment as of September 30, 2007

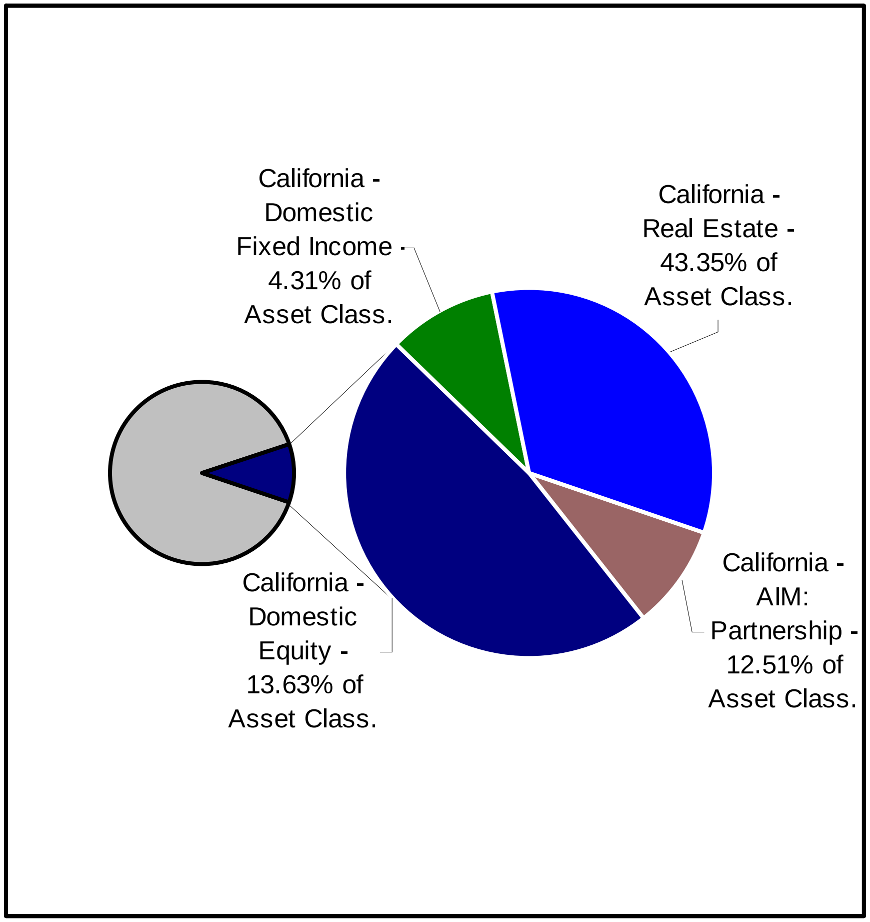
AIM				Real Estate			
Funded	**$(in Billions)**	**% Allocation**	**Target Range**	**Funded**	**$(in Billions)**	**% Allocation**	**Target Range**
Fair Market Value (FMV)	$19.18	7.5%	**3-9%**	Fair Market Value (FMV)	$20.36	8.0%	**4-12%**
Unfunded Commitment	$23.10	9.1%		Unfunded Commitment	$12.84	5.0%	
Fair Market Value plus Unfunded Commitment	**$42.28**	**16.6%**		**Fair Market Value plus Unfunded Commitment**	**$33.20**	**13.0%**	

CalPERS Investments in the State of California – September 30, 2007

The State of California offers CalPERS a number of attractive investment opportunities. The following charts summarize the investments by asset class as of the date of this report. A detailed report on California investments is available in the supplemental reporting document.

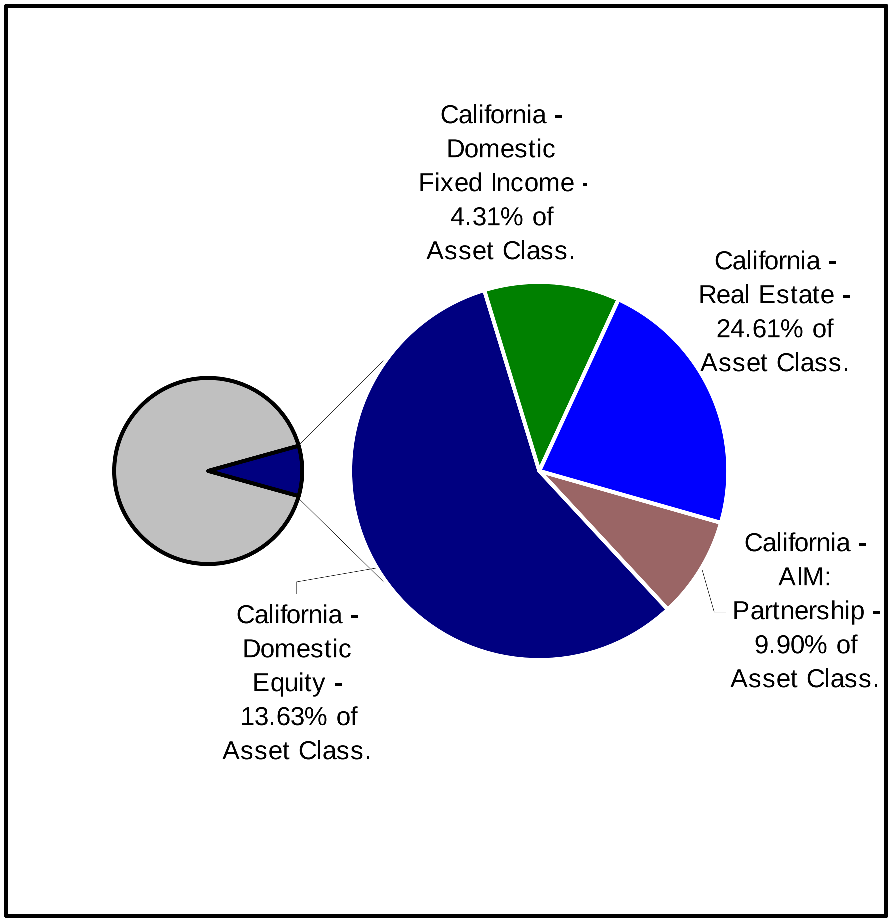
California Commitments (includes unfunded investments)

Current California Commitments at 9/30/2007 Total Fund %: 10.40%



California Investments

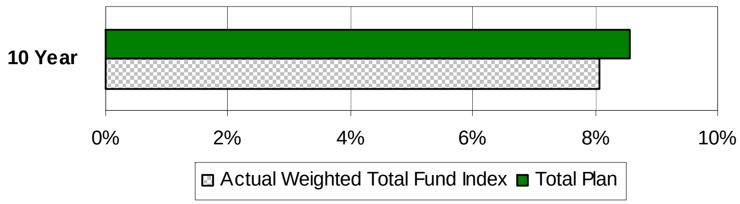
Current California Investments at 9/30/2007 Total Fund %: 8.71%



Performance Summary – September 30, 2007

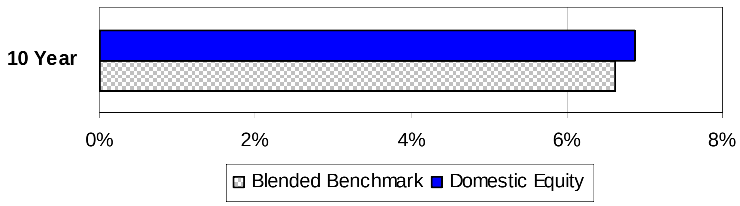
Total Plan:

Net Total Fund returns have met or exceeded the Actual Weighted Total Fund Index in all time periods. Ten-year net returns were 8.58% versus 8.06% for the actual weighted index.



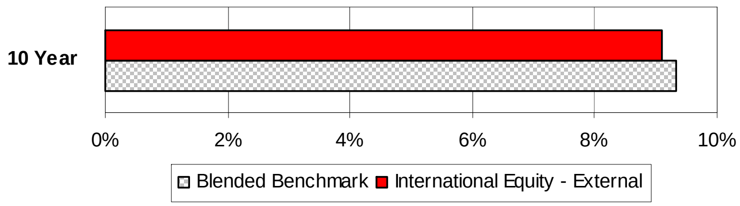
Domestic Equity:

Net Domestic Equity returns have outperformed the Blended Index in the one-month, five-year and since inception time periods, but have underperformed during the past quarter, fiscal-year-to-date, calendar year-to-date, one-, three-, and ten-year time periods. Ten-year net returns were 6.88% versus 6.62% for the blended benchmark.



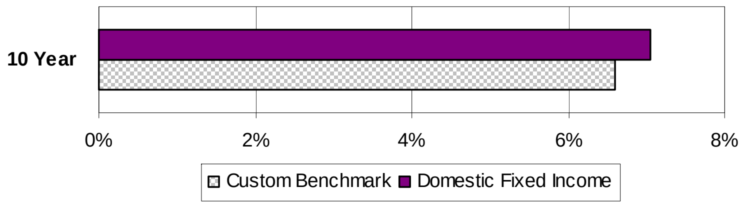
International Equity:

Net International Equity (External) returns including currency overlay underperformed the blended benchmark during the current month, quarter, fiscal-year-to-date, five- and ten-year time periods but outperformed in all other periods. Ten-year net returns were 9.11% (9.55% without currency overlay) versus the 9.32% blended benchmark return. The Internal portfolio has returned 25.04% since its 5/1/2005 inception, exceeding its benchmark of 24.66%.



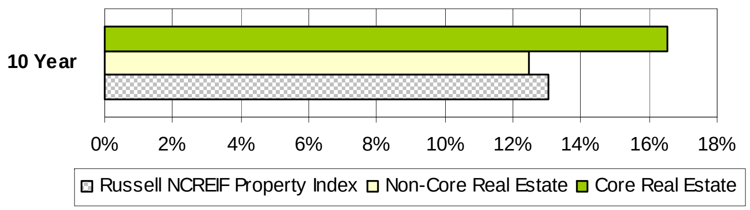
Domestic Fixed Income:

Net Domestic Fixed Income returns have exceeded the benchmark in all time periods. Ten-year net returns were 7.04% versus 6.61% for the benchmark.



Real Estate:

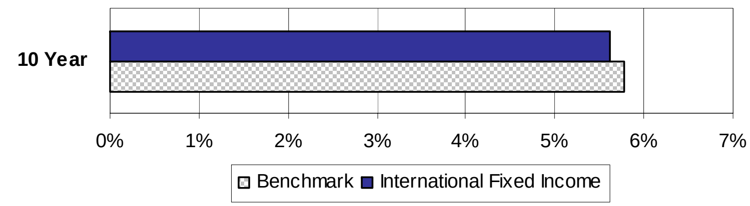
Net returns for the Core Real Estate Portfolio have exceeded the NCREIF Property benchmark during all time periods except for the calendar year-to-date and one-year periods. Non-core portfolio returns have exceeded the benchmark in the three- and five-year time periods, but underperformed during the ten-year period and time periods one-year and less. Ten-year net returns were 16.55% for the Core Real Estate portfolio and 12.47% for Non-Core Real Estate, versus 13.05% for the lagged benchmark.



Performance Summary – September 30, 2007

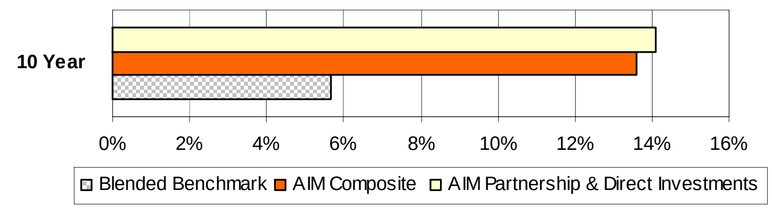
International Fixed Income:

Net International Fixed Income returns have underperformed the benchmark during the one-, three-, and ten-year time periods while outperforming during all other time periods. Ten-year net returns were 5.62% versus 5.78% for the benchmark.



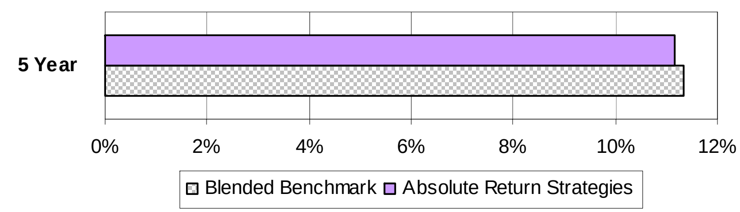
Alternative Investments:

Net returns for the Alternative Investments portfolio have exceeded the custom blended benchmark in all time periods. Ten-year net returns for the AIM Composite, which includes distributed stock, were 13.61% exceeding the ten-year custom blended benchmark return of 5.68%. Ten-year net returns for the AIM Partnership & Direct Investments were 14.08%.



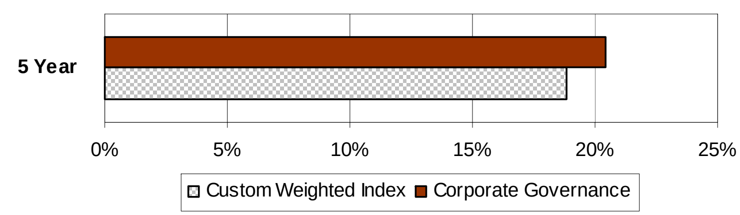
Absolute Return Strategies:

Net Absolute Return Strategies returns have exceeded the blended benchmark in all time periods except during the quarter, fiscal-year-to-date, calendar year-to-date and five-year time periods. Five-year net returns were 11.17% versus 11.33% for the blended benchmark.



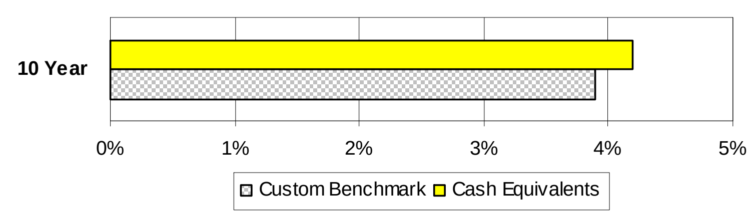
Corporate Governance:

Net returns for Corporate Governance Investments have underperformed the custom benchmark in all time periods except during the three- and five-year time periods. Five-year net returns were 20.47% versus 18.84% for the weighted index.



Cash Equivalents:

Net returns for the Cash Equivalents portfolio have met or exceeded the benchmark in all time periods except for the quarter, fiscal year-to-date, and calendar year-to-date time periods. Ten-year net returns were 4.19% versus 3.90% for the custom benchmark.



CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
CIO REPORT
GROSS RATES OF RETURN
Period Ending September 30, 2007

	MKT VAL (000'S)	One Month Sep 07	QTR Jul - Sep 07	FYTD 07-08	CYTD 2007	1 Year	3 Years	5 Years	10 Years
TOTAL PLAN									
SJ1CA1 - TOTAL FUND	254,626,631	3.61	3.07	3.07	10.69	17.34	15.49	15.82	8.77
CPERSTO2 - CALPERS POLICY INDEX (DAILY)		3.08	2.92	2.92	9.75	15.97	13.96	14.54	7.90
CPERSI02 - ACTUAL WEIGHTED TOTAL FUND INDEX (DAILY)		3.38	3.00	3.00	10.23	16.83	14.20	14.73	8.06
GLOBAL EQUITY									
DOMESTIC									
SH8CA1 - TOT DOM EQ+IND HG+ENV EX VENT, HDG, CG	84,941,231	3.62	1.40	1.40	9.52	17.13	13.69	16.23	6.90
Y082 - WILSHIRE 2500 EX TOBACCO (BLENDED) (DAILY)		3.61	1.69	1.69	9.68	17.29	13.70	16.15	
INTERNATIONAL - EXTERNAL									
SHBCA1 - INTL TOT EXT EQ+MDP+IND HG, EX OVLY EX V	23,309,195	6.90	5.04	5.04	20.30	34.31	27.61	26.56	9.61
SHBKA1 - INTL TOT EXT EQ+MDP+IND HG+OVLY EX VT	23,098,536	5.70	3.18	3.18	18.04	30.59	26.45	24.95	9.18
CPERIN2D - CALPERS FTSE AW EX US/SSGA BLEND (DAILY		6.36	4.07	4.07	17.47	30.29	26.12	25.99	9.32
INTERNATIONAL - INTERNAL									
SWEAB - INTERNAL INTL PASSIVE ALLOCATION	24,083,221	5.90	3.00	3.00	15.15	26.82			
QR32 - CALPERS FTSE DEV WORLD EX US&TOBACCO(DAI		5.79	2.91	2.91	14.91	26.54			
SWCG - INTERNATIONAL EQUITY TRANSITION	33,153	2.61	-8.09	-8.09	-10.01	10.13			
HEDGE FUND INVESTMENTS									
SNLCA1 - TOTAL ARS PROGRAM COMPOSITE	6,177,203	1.91	-0.09	-0.09	7.77	14.41	12.71	11.58	
CPERHED2 - TOTAL ARS PROGRAM BLENDED INDEX (DAILY		0.94	3.10	3.10	8.22	10.75	8.88	11.33	
CORPORATE GOVERNANCE									
SWMKA1 - CORPORATE GOVERNANCE	5,629,919	1.13	-4.67	-4.67	4.67	13.98	17.03	21.04	
CPERSGC2 - CALPERS CORPORATE GOVERANCE IC (DAILY		3.02	-0.73	-0.73	6.89	14.01	16.41	18.84	
MDP DOM FIXED INCOME-INVESTMENTS									
SN1KA1 - MDP I DOM FIXED INCOME-INVESTMENTS	196,963	1.29	2.83	2.83	4.26	5.76	4.17	5.76	
X40D - CITIGROUP BIG (DAILY)		0.74	3.03	3.03	3.95	5.24	3.95	4.23	6.00
GLOBAL FIXED INCOME									
DOMESTIC									
SJDKA1 - TOTAL DOM FIXED	59,732,882	0.89	3.35	3.35	4.10	5.53	5.13	6.74	7.05
CALCCLP2 - CALPERS CUSTOM LEH LPF (DAILY)		0.80	3.28	3.28	3.51	4.64	4.21	4.88	6.61
INTERNATIONAL									
SJDCA1 - TOTAL INTERNATIONAL FIXED INCOME	7,222,607	3.29	7.72	7.72	7.03	9.33	4.85	8.30	5.69
CALWGXU2 - CALPERS WORLD GOVT X US (DAILY)		2.88	7.70	7.70	6.96	9.45	4.96	8.06	5.78
CASH EQUIVALENTS									
SJVKA1 - TOTAL CASH	2,132,628	0.43	1.33	1.33	4.01	5.42	4.38	3.16	4.19
Y8K2 - PERS CUSTOM STIF NET OF FEES (DAILY)		0.43	1.34	1.34	4.02	5.42	4.24	2.99	3.90
ALTERNATIVE INVESTMENTS									
SJAIM - AIM COMPOSITE	19,184,530	5.81	11.50	11.50	25.70	30.01	24.78	16.54	13.62
(1) SJXKA1 - AIM: PARTNERSHIP & DIRECT INVESTMENTS	19,035,043	5.84	11.60	11.60	25.80	30.04	24.73	16.48	14.08
CPERYCX2 - Wilshire 2500 Plus 500 bps/CYFU Blend (Daily)		1.18	3.57	3.57	11.11	15.65	17.49	11.09	5.68
SW2V - AIM DISTRIBUTION STOCK	149,486	2.98	1.85	1.85	14.63	27.58	18.59	20.79	
REAL ESTATE									
SW3CA1 - CORE REAL ESTATE	10,301,793	8.05	8.05	8.05	14.38	18.02	34.39	23.89	18.66
SW7KA1 - TOTAL NON-CORE REAL ESTATE	10,050,620	2.75	1.74	1.74	8.53	16.94	29.98	25.53	15.91
ZLWD - NCREIF PROPERTY 1 QTR LAG (DAILY)		4.59	4.59	4.59	13.26	17.24	17.98	14.39	13.05

(1) SJXKA1 actual inception 3/90, returns only available since conversion to State Street Bank

Excludes MDP venture accounts in composites SW9C, SWDC.

Private Real Estate valued at prior quarter-end; Public Real Estate valued at current month-end.

This report prepared by State Street Bank

CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
CIO REPORT
NET RATES OF RETURN
Period Ending September 30, 2007

	MKT VAL (000'S)	One Month Sep 07	QTR Jul - Sep 07	FYTD 07-08	CYTD 2007	1 Year	3 Years	5 Years	10 Years
TOTAL PLAN									
SJ1CA1 - TOTAL FUND	254,626,631	3.54	3.00	3.00	10.49	17.07	15.12	15.52	8.58
CPERSTO2 - CALPERS POLICY INDEX (DAILY)		3.08	2.92	2.92	9.75	15.97	13.96	14.54	7.90
CPERSI02 - ACTUAL WEIGHTED TOTAL FUND INDEX (DAILY)		3.38	3.00	3.00	10.23	16.83	14.20	14.73	8.06
GLOBAL EQUITY									
DOMESTIC									
SH8CA1 - TOT DOM EQ+IND HG+ENV EX VENT, HDG, CG	84,941,231	3.62	1.39	1.39	9.51	17.11	13.67	16.20	6.88
Y082 - WILSHIRE 2500 EX TOBACCO (BLENDED) (DAILY)		3.61	1.69	1.69	9.68	17.29	13.70	16.15	
INTERNATIONAL - EXTERNAL									
SHBCA1 - INTL TOT EXT EQ+MDP+IND HG, EX OVLY EX V	23,309,195	6.88	4.99	4.99	20.15	34.10	27.49	26.45	9.55
SHBKA1 - INTL TOT EXT EQ+MDP+IND HG+OVLY EX VT	23,098,536	5.67	3.13	3.13	17.88	30.36	26.32	24.83	9.11
CPERIN2D - CALPERS FTSE AW EX US/SSGA BLEND (DAILY)		6.36	4.07	4.07	17.47	30.29	26.12	25.99	9.32
INTERNATIONAL - INTERNAL									
SWEAB - INTERNAL INTL PASSIVE ALLOCATION	24,083,221	5.90	3.00	3.00	15.15	26.82			
QR32 - CALPERS FTSE DEV WORLD EX US&TOBACCO(DAILY)		5.79	2.91	2.91	14.91	26.54			
SWCG - INTERNATIONAL EQUITY TRANSITION	33,153	2.61	-8.09	-8.09	-10.01	10.13			
HEDGE FUND INVESTMENTS									
SNLCA1 - TOTAL ARS PROGRAM COMPOSITE	6,177,203	1.91	-0.16	-0.16	7.51	13.98	12.43	11.17	
CPERHED2 - TOTAL ARS PROGRAM BLENDED INDEX (DAILY)		0.94	3.10	3.10	8.22	10.75	8.88	11.33	
CORPORATE GOVERNANCE									
SWMKA1 - CORPORATE GOVERNANCE	5,629,919	1.13	-4.74	-4.74	4.40	13.58	16.61	20.47	
CPERSGC2 - CALPERS CORPORATE GOVERANCE IC (DAILY)		3.02	-0.73	-0.73	6.89	14.01	16.41	18.84	
MDP DOM FIXED INCOME-INVESTMENTS									
SN1KA1 - MDP I DOM FIXED INCOME-INVESTMENTS	196,963	1.26	2.79	2.79	4.19	5.65	4.03	5.57	
X40D - CITIGROUP BIG (DAILY)		0.74	3.03	3.03	3.95	5.24	3.95	4.23	6.00
GLOBAL FIXED INCOME									
DOMESTIC									
SJDKA1 - TOTAL DOM FIXED	59,732,882	0.89	3.35	3.35	4.10	5.53	5.12	6.73	7.04
CALCCLP2 - CALPERS CUSTOM LEH LPF (DAILY)		0.80	3.28	3.28	3.51	4.64	4.21	4.88	6.61
INTERNATIONAL									
SJDCA1 - TOTAL INTERNATIONAL FIXED INCOME	7,222,607	3.29	7.71	7.71	6.99	9.27	4.79	8.22	5.62
CALWGXU2 - CALPERS WORLD GOVT X US (DAILY)		2.88	7.70	7.70	6.96	9.45	4.96	8.06	5.78
CASH EQUIVALENTS									
SJVKA1 - TOTAL CASH	2,132,628	0.43	1.33	1.33	4.01	5.42	4.38	3.16	4.19
Y8K2 - PERS CUSTOM STIF NET OF FEES (DAILY)		0.43	1.34	1.34	4.02	5.42	4.24	2.99	3.90
ALTERNATIVE INVESTMENTS									
SJAIM - AIM COMPOSITE	19,184,530	5.81	11.50	11.50	25.69	29.99	24.77	16.52	13.61
(1) SJXKA1 - AIM: PARTNERSHIP & DIRECT INVESTMENTS	19,035,043	5.84	11.60	11.60	25.80	30.04	24.73	16.48	14.08
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(1) SJXKA1 actual inception 3/90, returns only available since conversion to State Street Bank   Excludes MDP venture accounts in composites SW9C, SWDC.
Private Real Estate valued at prior quarter-end; Public Real Estate valued at current month-end.

This report prepared by State Street Bank

Operations / Transaction Reports

Closed Session Transactions

- There were two (2) closed session transactions reported to the Board in Open Session per the requirements of California Government Code Section 20191.5 and the current CalPERS Board of Administration Statement of Policy & Procedures for Closed Sessions.

Activity Reports

- Staff prepares activity reports for the AIM, Absolute Return Strategies and Opportunistic Real Estate Programs. Detailed reports and investment summaries for the AIM and Risk Managed Absolute Return Strategies are included in the supplemental reporting document. Opportunistic Real Estate Investments will be reported below as they occur.

AIM Activity Report

Activity	Month	2004	2005	2006	2007 YTD	Since Inception
Investment Proposals Received	26	381	316	301	352	6,434
Declined/Referred/Failed to Materialize	20	223	429	261	299	5,153
Deals in Screening	40	397	319	301	352	3,448
Due Diligence Reviews	23	65	59	61	59	645

Risk Managed Absolute Return Strategies Program Activity Report

Activity	2004	2005	2006	2007	Since Inception
Information Received	59	59	69	61	687
Declined	12	7	1	0	243
Deals in Screening	45	58	68	61	432
Due Diligence Reviews	6	18	52	44	153
Approved by ARS Board	4	7	9	6	39
Funded Investments ($ Millions)	$149	$783	$1,809	$1,814	$5,134

Opportunistic Real Estate Investments Activity Report

Fund Name	Allocation Committed
Rockpoint Real Estate Fund III	$250,000,000.00
ARA Asia Dragon Fund	$500,000,000.00

Quarterly Reports

According to policy requirements, the following is summary information extracted from the quarterly and annual report(s) prepared for Investment Committee consideration. Executive Summaries and Full Reports are available in the supplemental reporting document.

Proxy Voting Quarterly Report Results:

On a quarterly basis, staff provides a report on CalPERS' proxy voting results to the Investment Committee. This supplemental item provides detailed results on CalPERS' proxy votes for the period July 1, 2007 to September 30, 2007. Staff is delegated the authority and responsibility to execute all proxies and voting instructions in a manner that is consistent with the Board's Global Proxy Voting Principles.

The following table provides a summary of CalPERS' internal proxy voting results for the period. Staff continues to update this table to provide the Committee with a 5-quarter rolling analysis of CalPERS' proxy voting results.

Period	Approximate Number of Meetings Voted	Approximate Number of Individual Items Voted	Number of Shareowner Proposals Voted	Percent of Shareowner Proposals Supported
07/01/07 to 09/30/07	1,159	7,341	48	90%
04/01/07 to 06/30/07	5,031	42,956	549	79%
01/01/07 to 03/31/07	414	2,072	29	89%
10/01/06 to 12/31/06	638	3,265	26	84%
07/01/06 to 09/30/06	501	2,573	30	93%

****Source: Glass Lewis (Viewpoint)**

In addition to the summary above, we have prepared detailed reports of CalPERS' proxy votes cast during the period July 1, 2007 to September 30, 2007 as attachments for this item. Although the attachments are not included, they may be requested through the Investment Committee Secretary.

Proxy Voting Quarterly Report Results (cont.):

PROXY VOTING HIGHLIGHTS FOR THE DOMESTIC AND INTERNATIONAL PORTFOLIOS

A. Domestic Proxy Voting

A sampling of domestic proxy votes cast **against** management from July 1, 2007 to September 30, 2007 includes:

1) Egregious executive compensation plans:

Company	Cost Analysis	Additional Factors [1]
Bristow Group Inc. 8/2/07	Equity grants should vest over a period of at least 3 years.	
Crocs Inc. 7/9/07	The cost of the plan compared to the financial performance of the company was outside one standard deviation when compared to similar plans. [2]	
Smith Micro Software Inc. 9/27/07	The cost of the plan was within acceptable limits.	The plan contains an evergreen provision.
Cogent Inc. 7/30/07	The cost of the plan was within acceptable limits.	The plan allows for the repricing of stock options.
Network Appliance Corp. 6/12/07	The cost of the plan compared to the financial performance of the company was outside one standard deviation when compared to similar plans. [2]	

1) At the June 16, 2003 meeting, the CalPERS Board approved additional policy issues to be applied to voting in relation to compensation plans.

2) Glass Lewis & Co. evaluates equity-based plans using twenty different analyses, comparing the program with both absolute limits and a carefully chosen peer group. The model seeks to determine if the proposed plan is either more than one standard deviation away from the average plan for the peer group, on a range of criteria, or exceeds one of the absolute limits.

Proxy Voting Quarterly Report Results (cont.):

2) Shareowner proposals:

CalPERS voted **in favor** of the following shareowner proposals:

Company	Meeting	Proposal	Reason
Bed Bath & Beyond Inc. 7/10/07	7/10/07	Report on Climate Change	CalPERS firmly supports increased disclosure surrounding climate change and the environment.
Dynegy Inc.	7/18/07	Proposal regarding Pay for Performance	CalPERS is a firm supporter of Pay for Performance practices
Legg Mason	7/19/07	Separate Chairman and CEO	CalPERS believes if the Chairman is not the CEO the board may be able to exercise stronger oversight of management.
Alliant Tech System Inc.	7/31/07	Report on Depleted Uranium Weapons and Components	CalPERS believes this poses no long term harm to the company.
99 Cents Only Stores	9/27/07	Future Poison Pills should be subject to shareowner vote	CalPERS believes no poison pill should be approved or amended except with shareowner approval.

Proxy Voting Quarterly Report Results (cont.):

CalPERS voted **against** the following shareowner proposals:

Company	**Meeting**	**Proposal**	**Reason**
CA Inc.	8/22/07	Approval of CEO Compensation by a Supermajority of the entire Board	CalPERS believes the proposal is too restrictive and could pose long-term harm to the company. Furthermore, CalPERS believes compensation should be implemented through an independent compensation committee to ensure alignment of interests with shareowners.
Ryerson Incorporated	8/23/07	Proposal regarding the Size of the Board of Directors	CalPERS believes the board should determine its size that is most effective for future operations.
Arrow International Inc.	9/20/07	Director Age Limits	CalPERS believes the board is best suited to determine director age limits and therefore this proposal could pose long-term harm to the company.

Proxy Voting Quarterly Report Results (cont.):

3) Proxy Contests:

Company	Dissident	Dissident's complaints	CalPERS vote	Reason for the vote
H&R Block Inc. 9/6/07	Breeden Partners	Declining financials, poor stock performance, lack of transparency in reporting and guidance, and lack of independence on the board.	Voted with Dissidents	CalPERS supported the Dissident Slate as a result of stock price under-performance at the company.

4) Website votes:

The following is a sample of Website votes cast during the quarter:

Company/Date	Issue	Vote	Reason
Bed Bath & Beyond Inc. 7/10/07	Advisory Vote on Executive Compensation	For	CalPERS believes allowing an advisory vote on executive compensation will benefit shareowners and the company.
H.J. Heinz Co. 8/15/07	Provide for Majority Vote in Directors Elections	For	CalPERS believes a majority of the proxies cast should be required to elect a director.
TXU Corp. 9/7/07	Proposal on Emissions Goals	For	CalPERS firmly supports increased disclosure surrounding climate change and the environment.
General Mills Inc. 9/24/07	Director Election	Withhold from nominee H. Miller and M. Spence	Poor attendance levels.

Proxy Voting Quarterly Report Results (cont.):

5) International Proxy Voting:

A sampling of International proxy votes cast **against** management during the quarter:

Company	Country	Date	Issue	Reason
APN News & Media Limited	Australia	7/3/07	Director Election	Withhold vote from A. Harris. The compensation and nominating committees should be composed of a majority of independent directors.
Ducati Motor Holding	Italy	8/6/07	Approve Stock Option Grant	Options are issued at discount.
Fisher & Paykel Healthcare Corp.	Netherlands	8/23/07	Approve Stock Option Plan	CalPERS believes options should vest over a period of 3 years.
Mizrahi Tefahot bank Ltd	Indonesia	8/12/07	Executive Bonus Plan	Proxy materials should be written in a manner designed to provide shareowners with the information necessary to make a voting decision.

Proxy Voting Quarterly Report Results (cont.):

6) Mergers & Acquisitions (Performance Reporting):

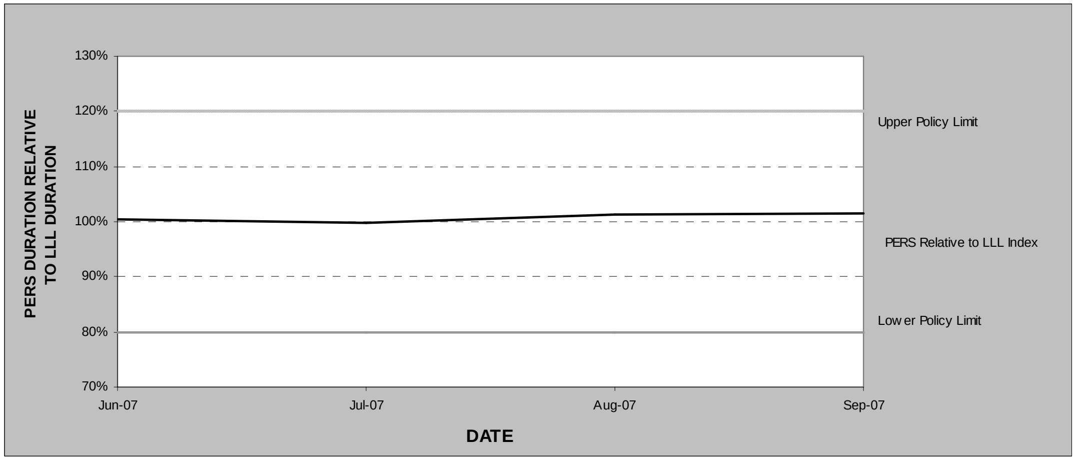
The following measures the performance of staff's vote recommendations on Mergers and Acquisitions within CalPERS' Top 300 Holdings:

Target	Acquirer	Vote	Vote Date	Active Return 1, 2, 3, 4
Unocal	Chevron	For	8/10/05	0.26%
Providian	Washington Mutual	For	8/31/05	-1.20%
PacifiCare	UnitedHealth	For	11/17/05	-1.90%
Maytag	Whirlpool	For	12/22/05	-0.52%
WellChoice	WellPoint	For	12/28/05	-0.27%
Siebel	Oracle	For	1/31/06	1.84%
Jefferson-Pilot	Lincoln National	For	3/20/06	-1.07%
Albertsons	SuperValu	For	5/30/06	1.54%
BellSouth	AT&T	For	7/21/06	2.20%
Kerr-McGee	Anadarko	For	8/10/06	-2.76%
Golden West	Wachovia	For	8/31/06	-1.06%
Lucent	Alcatel	For	9/7/06	-0.45%
Amsouth	Regions Financial	For	10/3/06	-2.20%
Eckered Stores	Rite Aid	Against	1/18/07	-0.17%
ICOS Corp.	Eli Lilly	For	1/25/07	-0.83%
McData	Brocade Communications	Against	1/25/07	0.05%
Phelps Dodge	Freeport-McMoran	For	3/14/07	13.76%
Caremark	CVS. Corp.	Against	3/15/07	-5.92%
Mellon Financial	Bank of New York	For	3/24/07	-3.85
		PORTFOLIO (value-weighted basis)		**-0.42%**

1) Stock and portfolio excess returns are as of August 31, 2007 - the latest date for available control factors data.
2) Alpha Excess return is return after controlling for market, size, momentum and growth/value.
3) Excess returns are monthly excess returns.
4) N/A indicates that the regression could not be performed because there was only one observation at the time of the analysis.

Internally Managed Domestic Fixed Income Report:

I. Interest Rate Risk



II. Sector Risk

SECTOR	PERMISSIBLE RANGE	LONG LIABILITY	12/31/2006 PERS	3/31/2007 PERS	6/30/2007 PERS	9/30/2007 PERS
Government	0-50	40	30	31	30	32
Mortgages	10-60	30	37	38	36	37
Sovereigns	0-15	3	2	2	3	2
Investment Grade Corporates	10-60	24	28	26	27	25
Opportunistic[1]	0-19	3	3	3	3	2

[1] High Yield

III. Violations to Policy: None

Internally Managed Short-Term Fund Report:

I. Interest Rate Risk

The weighted-average days to maturity of the Short-Term Fund were 1.36 days.

II. Asset Allocation by Asset Type and Credit Quality, and Other Policy Limits

Asset Type	Policy Limits	Portfolio Holdings
State Street Bank STIF	100%	81.9%
U.S. Treasury and Agencies	100	0.0
Repurchase Agreements	20	0.0
Corporate Securities	100	18.1
Asset-Backed Securities	25	0.0
Total Short-Term Fund		100.0%

Credit Quality	Policy Limits	Portfolio Holdings
Securities rated A1/P1 or higher	100%	92.8%
Total Split Rated and A2/P2	30	7.2
Total Short-Term Fund		100.0%

Other Restriction	Policy Limits	Portfolio Holdings
Total Floating Rate Exposure	50%	0.0%

III. Violations To Policy: None

Internally Managed High Quality Libor Fund Report:

I. Interest Rate Risk

The portfolio duration of the High Quality LIBOR Fund was 0.11.

II. Asset Allocation by Asset Type and Credit Quality, and Other Policy Limits

Asset Type	Policy Limits	Portfolio Holdings
STIF Funds	100%	4.73%
AAA Floating Rate Structured Securities	100	89.21
AAA Fixed Rate Structured Securities	20	0.00
Money Market Securities (>= A1/P1)	100	4.88
Money Market Securities (< A1/P1)	25	1.18
High Quality Libor Fund		100.0%

Credit Quality		
Securities rated AAA (LT) or A1/P1 (ST) or higher	100%	98.82%
Total Split Rated and A2/P2 money market securities (> 1 day maturity)	25	1.18
High Quality Libor Fund		100.0%

Other Restriction		
Total Fixed Rate Exposure (> 35 day maturity)	20%	0.00%

III. Violations To Policy: None

Member Home Loan Program Report:

- Program to Date, CalPERS has purchased a total of 128,242 loans totaling $20.3 billion dollars (figure does not include Personal Loans).
- Purchases for the Quarter Ending 09/30/07, were $118.3 million dollars (figure includes Personal Loans).
- Portfolio Holdings as of 09/30/07 were $775.5 million dollars.
- Mortgage Loan Delinquencies (MBA vs. CalPERS) as of 06/30/07:
  - Fannie Mae MBS Delinquencies increased by 7 bps.
  - MBA delinquency statistics decreased by 33 bps (No exposure to CalPERS).
- Whole Mortgage Loan Delinquencies as of 09/30/07 decreased by 22 bps. (CalPERS exposure in full report contained in SRD).
- Percentage of Personal Whole Loan Delinquency as of 09/30/07 increased by .49%.
- Number of Lending Institutions participating in the MHLP is 22 with a total of 465 branch locations statewide.
- CMI CalPERS Pipeline & Purchase Information for YTD ending 09/30/07:

Committed not Purchased:	411	$ 109,074,362	
Total Commitments Issued (YTD):	2,034	$ 548,077,722	Avg/month: $ 60,897,524
Total Purchased (YTD):	1,404	$ 367,424,090	Avg/month: $ 40,824,898
Purchase/Refinance Percentage (%):	29%/71%		

Points of Interest - 3rd Quarter, 2007

In order to maintain the highest level of service and quality for CalPERS Members, continual review of all Participating Lenders is done. The CalPERS Member Home Loan Program strives to provide Members with experienced Lenders and processing personnel who are familiar with the Program.

To help achieve this mission, new production standards were established in 2007 to help insure Lenders have the desired experience processing CalPERS Loans. Specifically, these standards require that Lenders produce a minimum of 20 loans per year, plus 2 loans for every branch in excess of 20 branches.

In January of this year, Lenders who had not met the 2006 production standards were sent a warning letter telling them that by June 30th of this year if not on a run rate to meet the 2007 production standards, they would be terminated.

- 12 Lenders were unable to meet the production standards and were terminated in July 2007. Lenders included CTX Mortgage, DHI Mortgage and First Bank Mortgage. Please see “Additional Details” at end for complete list of Lenders.

In addition, the following Lenders have closed their doors and have been removed from the CalPERS MHLP approved Participant List: American Home Mortgage, Capital Pacific Mortgage, First Magnus, Pinnacle Financial, New Century Mortgage and SCME.

Member Home Loan Program Report (cont.):

CalPERS Marketing Strategy Highlights
Q3 continued the strong focus on strategic lead generation from all CalPERS contact points available. In particular, both brand building and direct response campaigns were launched to increase brand awareness and lead generation. These efforts were part of the overall 2007 marketing plan to achieve emotional and rational bonds with Members that would build preference for the MHLP as their home loan provider.

The Q3 Marketing plan leveraged all of the following areas available to increase Program awareness, reach, and leads/referrals:

- Brand Management
- Direct Marketing
- Outreach Marketing

Specific Q3 tactics are below.

Brand Management: Increase Program Awareness, Education and Reach

- **CalPERS MHLP "Be a Part of it" Branding Initiative**
  Across all marketing branding opportunities, the “Be a Part of It" message was incorporated to increase brand awareness and equity. This communication strategy provided differentiation and reinforced message of exclusive MHLP benefits for CalPERS Members.

  Next steps: Study impact of "Be a Part of It" via research and enhance messaging strategy to reference a more specific CalPERS value proposition for 2008.

Direct Marketing: "Call to Action" Tactics to Increase Leads/Referrals

- **PERSpective magazine (1.54 Million circulation).** The following article, "Common Misconceptions about the CalPERS Member Home Loan Program" was featured in the Fall 2007 edition. A strong “call to action” in the article generated responses to the CalPERS Customer Relations Team (for referral to loan officers).

  Next Steps: “Year to date” approximately 1,200 leads from the MHLP articles in PERSpective have been generated. Commitment to be in every PERS*pective* 2008 issue is in progress.

- **9/10 Paycheck stuffers (265K sent)**. In September 2007, paycheck inserts for California state employees were delivered for payroll distribution to state employees. The insert is a driver of booked loans for the Program. To increase response/leads, these paycheck stuffers were enhanced with new graphics and a stronger headline.

  Next Steps: 2008 Paycheck stuffers creative is being evaluated to increase leads/bookings by 10%.

Member Home Loan Program Report (cont.):

Outreach Marketing Support (Agency Liaisons) (Top Source of CalPERS MHLP Leads)

- On-going marketing support continued for the CalPERS MHLP Agency Liaisons to continue momentum of strong lead generation:
  - -15K Agency Liaison paycheck stuffers/leaflets
  - -10K Ruler Bookmarks (event premium items)
  - -Other marketing materials such as Visitor Registration Forms and "Post it" notes

Marketing/Lead Tracking Report **(Top 5 categories)**

Agency Liaison Fair/Conference	1,877 leads	= 44% (of total leads)
CalPERS Website	1,072 leads	= 25%
Referred by Family/Co-worker	389 leads	= 9%
PERSpective	357 leads	= 8%
Referred by CalPERS Office	129 leads	= 3%

Total leads generated in 3rd Quarter, 2007 = 4,295

CalPERS Agency Outreach (Events):
The 3rd quarter of this year, the Northern and Southern CA Agency Liaisons focused on CalPERS Benefit Fairs. In all, the Agency Liaisons planned for and attended approximately 58 Benefit Fairs. That's 40 additional Benefit Fairs over 2006. The Agency Liaisons collected 1877 total leads; 1720 information only and 157 referrals to a CalPERS Certified Loan Officer. Both Agency Liaisons also worked with the Customer Relations Supervisor to create a New Home Loan Workshop Webinar Flyer. Going into the 4th quarter of this year, the Agency Liaisons will be able to offer a web-based

Home Loan Workshop for CalPERS Members. This new option will give CalPERS Members the flexibility to attend a workshop from their desk at work or after work hours so they can attend with other family members. The new workshop will work great for rural and/or smaller CalPERS Agencies that can be difficult for the Agency Liaisons to travel to.

The Agency Liaisons are also preparing for the upcoming Annual CalPERS Education Forum from October 22-24. This is a very important event for the Agency Liaisons as it gets them in contact with Human Resource Representatives and Benefits' Coordinators. These contacts are used throughout the year to schedule attendance to Benefit Fairs and also to schedule Home Loan Workshops.

Member Home Loan Program Report (cont.):

Member Home Loan Program Staff

Western Region Business Development Manager:	Angela Mia
Consumer and Pooling Division Manager:	Bonnie McKee-Flores
Customer Relations Supervisor:	Vincent Martinez
Director of Marketing:	Emilio Coronado

ADDITIONAL DETAILS

These 12 Lenders were unable to meet the production standards and were terminated in July 2007

CTX Mortgage
DHI Mortgage
First Bank Mortgage
First Northern Bank of Dixon
Golden Empire Mortgage
Harborside Financial Network
Home Savings
Mason McDuffie Mortgage
Provident Mortgage
Provident Savings Bank
Santa Clara County Federal CU
Santa Cruz Mortgage
United Pacific Mortgage
Universal American Mortgage

Public Records Act Requests:

- In the quarter ending September 30, 2007, CalPERS received 3 (three) public record requests related to Investments.
- Detailed reporting is contained in the supplemental reporting document.

Real Estate Report:

- **Total Portfolio Performance –** The one-year (as of June 30, 2007) total return for the Total Real Estate Portfolio was 17.9 percent before fees and 15.2 percent after fees. The nominal after fee total return (since inception) for the Total Real Estate Portfolio was 11.4 percent as of June 30, 2007, with the income component generating a 7 percent return and the appreciation component generating a 4.4 percent return.

- **Core Portfolio Performance –** The one-year (as of June 30, 2007) total return for the Core Portfolio was 17.9 percent before fees and 16.2 percent after fees. The nominal after fee total return (since inception) for the Core Portfolio was 11.2 percent as of June 30, 2007, with the income component generating a 7.6 percent return and the appreciation component generating a 3.6 percent return. The total before fee returns for the Industrial sector, which reflect the June 30, 2007 valuations, were 16.9 percent for the current quarter and 20.2 percent for the one-year as compared to the NCREIF Industrial sector which reported a 5.1 percent current quarter return and a 16.9 percent one-year return.

- **Non-Core Portfolio Performance –** The one-year (as of June 30, 2007) total return for the Non-Core Portfolio was 19.7 percent before fees and 15.4 percent after fees. The nominal after fee total return (since inception) for the Non-Core Portfolio was 11.3 percent as of June 30, 2007, with the income component generating a 4.6 percent return and the appreciation component generating a 6.7 percent return. The Housing Program and the California Urban Real Estate (CURE) Program are the two largest programs in the Non-Core Portfolio. The Housing Program generated a -1.6 percent before fee return for the current quarter and a -2.2 percent before fee return for the one-year period. Additionally, the CURE program generated a 3.2 percent before fee return for the current quarter and a 20.2 percent before fee return for the one-year period.

- **Comparison to Industry Benchmark –** The Total Real Estate Portfolio outperformed the NCREIF Detailed Property Index (Index) for all periods except the current quarter. In addition, the Core Portfolio outperformed the Index for all periods, and the Non-Core Portfolio outperformed the Index for all periods except the current quarter. It should be noted that although the NCREIF Index is more directly comparable to the Core Portfolio, the Index is used as a benchmark for the Non-Core Portfolio as well.

- **Comparison to Real Rate of Return Benchmark –** Policy dictates that CalPERS' after fee real rate of return should reach 5 percent for the Core Portfolio and exceed 5 percent for the Non-Core Portfolio. The Core, Non-Core, and Total Portfolios have all exceeded the 5 percent real rate of return benchmark for all periods.

Investment Transactions

Investment Transactions are reported to the Investment Committee for review under the requirements of California Government Code Section 20191. Information is provided in summary format in this consolidated document. Full reporting is available in the supplemental reporting document.

<u>Portfolio Summary and Transactions Report:</u>

- Purchases – Internal Management (Page 29)
- Sales – Internal Management (Page 30)
- Currency Hedge Portfolio Summary (Page 31)
- Currency Hedge Portfolio Transactions (Page 31)

<u>Investment Transaction Information</u>: (full reporting is available in the supplemental reporting document)

- Fixed Income Transactions
    - Internal Domestic
    - External International and High Yield
    - Special Mortgage Investment Program Transactions
    - High Yield Performance
- Equity Summary & Transactions
    - Internal Domestic
    - Corporate Actions
    - External Domestic
    - External International
- Internal Programs
    - Real Estate Transactions Summary
        - Dispositions Summaries
            - Buchanan Urban Investors – Timberwood Apartments, CalPERS equity share $3,981,920.00
            - CalSmart, LLC – Rialto Phase IV, CalPERS equity share $583,590.00
            - Buchanan Urban Investors II – South Coast Home Furnishings Centre, CalPERS equity share $20,976,980.00
            - CalSmart, LLC – Sierra Business Park, CalPERS equity share $20,677,287.00
            - National Officers Partners – 910 Travis, CalPERS equity share $55,390,212.00
            - CalSmart, LLC – Rialto Industrial Center, CalPERS equity share $6,378,241.00
        - Acquisitions Summaries
            - LaSalle Investment Management – Rainer 7, CalPERS equity share $29,496,777.00
            - Blackrock Realty – Woodview, CalPERS equity share $27,482,297.00
            - Buchanan Urban Investors II – Almeda Mall, CalPERS equity share $13,571,712.00
            - Blackrock Realty – River Park Apartments, CalPERS equity share $9,588,782.00
            - Pacific CityHome LLC, HM Gallery Lofts, CalPERS equity share $21,568,627.00

Investment Transactions

Investment Transaction Information (continued): **(full reporting is available in the supplemental reporting document)**

- AIM Program Transactions
  - Summary Listing of Capital Calls and Aggregate Distributions
- AIM Program Investments Completed under Delegation of Authority
  - Investment Summaries
    - Carlyle Strategic Partners II, LP, $75 million commitment
    - EMA Investments, LP, $100 million commitment
    - PCG Corporate Partners Fund II, LP, $500 million commitment
    - TPG Asia V, LP, $400 million commitment
    - WLR Recovery Fund IV, LP, $400 million commitment
- Internally Managed Derivative Transactions Summary
  - Investment Summaries
    - Futures purchases: $1,486.4 million notional
    - Futures sales: $1,261.1 million notional
- Risk Managed Absolute Return Strategies Program Transactions
  - Summary Listing of Investments and Redemptions
- Risk Managed Absolute Return Strategies Program Items Completed Under Delegation of Authority
  - Investment Summaries
    - Platinum Grove Contingent Capital Partners, L.P. – Initial Contribution $75 million
    - Canyon Special Opportunities Fund, L.P. – Initial Contribution $150 million

INVESTMENT TRANSACTONS SUMMARY

($ Millions)
August 2007

PURCHASES

INTERNAL MANAGEMENT

	PAR	COST	ANNUALIZED YIELD	%OF LONG TERM PURCHASES
ALTERNATIVE INVESTMENTS:				
Partnership Component	$776.5	$796.6	N/A	4.66%
BONDS:				
Utilities & Industrials	$769.3	$761.1	6.64%	4.45%
Sovereign	267.0	266.2	5.03%	1.56%
Total	1036.3	$1,027.3		6.01%
GOVERNMENTS:				
U.S. Agencies & Treasuries	$1,016.0	$1,097.8	5.15%	6.42%
MORTGAGE SECURITIES:				
Pass-Through	$1,729.5	$1,740.6	6.23%	10.18%
CMO	2,172.9	2,140.5	6.38%	12.52%
Total	$3,902.4	$3,881.1		22.70%
EQUITIES:				
Common Stock		$2,630.9	N/A	15.39%
EXTERNAL MANAGEMENT				
EQUITIES AND FIXED INCOME:				
International Common Stock		$2,192.4	N/A	12.83%
Domestic Common Stock		3,125.3	N/A	18.28%
International Fixed Income		2,342.5	N/A	13.70%
Total		$7,660.2		44.81%
TOTAL PURCHASES:		**$17,093.9**		**100%**

INVESTMENT TRANSACTONS SUMMARY

($ Millions)
August 2007

SALES

INTERNAL MANAGEMENT

	PAR	COST	PROCEEDS	GAIN/ LOSS
ALTERNATIVE INVESTMENTS:				
Partnership Component	752.6	$8.6	$8.6	$0.0
BONDS:				
Utilities & Industrials	100.0	$99.0	$99.0	$0.0
Sovereign	113.2	108.5	110.4	1.9
Total	213.2	$207.5	$209.4	$1.9
GOVERNMENTS:				
U.S. Agencies & Treasuries	1,462.3	$1,449.4	$1,450.6	$1.2
MORTGAGE SECURITIES:				
Pass-Through	3,399.5	$3,350.5	$3,364.3	13.8
CMO	87.2	$86.0	86.0	0.0
Total	3,486.7	$3,436.5	$3,450.3	$13.8
EQUITIES:				
Common Stock		$3,156.1	$4,212.6	$1,056.5
EXTERNAL MANAGEMENT				
EQUITIES AND FIXED INCOME:				
International Common Stock		$1,949.1	$2,114.8	$165.7
Domestic Common Stock		2,725.7	2,763.2	$37.5
International Fixed Income		2,180.5	2,193.9	13.4
Total		$6,855.3	$7,071.9	$216.6
TOTAL SALES:		**$15,113.4**	**$16,403.4**	**$1,290.0**

CURRENCY HEDGE PORTFOLIO SUMMARY

($ Millions)
August 2007

PENDING FX CONTRACTS	COST	MARKET VALUE
Total FX Purchased	$10,667.2	$10,699.1
Total FX Sold	$15,865.2	$15,901.0
CURRENCY OPTIONS		
Currency Puts	$279,543.3	$279,543.3

"For FX purchased, a market value higher than book value means the contracts have an unrealized gain as of the valuation date. For FX sold, a market value lower than book value means the contracts have an unrealized gain as of the valuation date."

CURRENCY HEDGE TRANSACTION SUMMARY

($ Millions)
August 2007

PURCHASES	COST
Pending FX Contracts	$3,701.5
SALES	**PROCEEDS**
Pending FX Contracts	$4,043.5

Affiliate Funds Reports

Staff has compiled the following Affiliate Funds Allocation Reports for the period ending August 31, 2007.

Annuitants' Health Care Fund:

Asset Class	Book Value	Percent of Portfolio	Market Value	Percent of Portfolio
CASH	$1,328,805.68	3.16%	$1,328,805.68	3.07%
DOMESTIC EQUITY	$18,299,967.62	43.58%	$18,850,707.72	43.57%
FIXED INCOME	$10,499,524.90	25.01%	$10,642,126.84	24.60%
INTERNATIONAL EQUITY	$11,859,575.07	28.25%	$12,443,489.94	28.76%
TOTAL	$41,987,873.27		$43,265,130.18	

Judges' Retirement Fund:

Asset	Book Value	Percent of Portfolio	Market Value	Percent of Portfolio
CASH	$3,289,951.60	100.00%	$3,289,951.60	100.00%
TOTAL	$3,289,951.60		$3,289,951.60	

Judges II Retirement Fund:

Asset	Book Value	Percent of Portfolio	Market Value	Percent of Portfolio
CASH	$11,617.61	0.01%	$11,617.61	0.00%
DOMESTIC EQUITY	$92,069,018.19	40.92%	$115,963,950.96	44.13%
FIXED INCOME	$88,626,485.19	39.39%	$91,503,033.44	34.82%
INTERNATIONAL EQUITY	$44,280,940.85	19.68%	$55,311,617.03	21.05%
TIPS	$0.00	0.00%	$0.00	0.00%
TOTAL	$224,988,061.84		$262,790,219.04	

Affiliate Funds Reports

Legislators' Retirement Fund:

Asset Class	Book Value	Percent of Portfolio	Market Value	Percent of Portfolio
CASH	$6,248.94	0.00%	$6,248.94	0.00%
DOMESTIC EQUITY	$34,517,711.21	26.77%	$44,396,012.50	30.69%
FIXED INCOME	$73,186,406.06	56.75%	$75,572,984.03	52.24%
INTERNATIONAL EQUITY	$11,948,061.09	9.27%	$14,928,722.55	10.32%
TIPS	$9,293,413.04	7.21%	$9,760,435.77	6.75%
TOTAL	$128,951,840.34		$144,664,403.79	

Long Term Care Fund:

Asset	Book Value	Percent of Portfolio	Market Value	Percent of Portfolio
CASH	$98,463.82	0.00%	$98,463.82	0.00%
DOMESTIC EQUITY	$622,152,536.81	31.22%	$791,292,789.31	34.20%
FIXED INCOME	$896,309,238.03	44.97%	$949,569,529.90	41.04%
INTERNATIONAL EQUITY	$365,323,708.05	18.33%	$457,058,156.64	19.75%
TIPS	$109,206,701.52	5.48%	$116,005,377.32	5.01%
TOTAL	$1,993,090,648.23		$2,314,024,316.99	

Public Employees' Medical & Hospital Care Act Contingency Reserve Fund:

Asset	Book Value	Percent of Portfolio	Market Value	Percent of Portfolio
CASH	$5,831,019.40	100.00%	$5,831,019.40	100.00%
TOTAL	$5,831,019.40		$5,831,019.40	

Affiliate Funds Reports

Supplemental Contribution Fund:

Asset	Book Value	Percent of Portfolio	Market Value	Percent of Portfolio
CASH	$18,787.25	0.10%	$18,787.25	0.08%
DOMESTIC EQUITY	$9,269,673.20	48.15%	$12,162,948.59	52.13%
FIXED INCOME	$6,120,482.83	31.79%	$6,319,762.65	27.09%
INTERNATIONAL EQUITY	$3,842,338.17	19.96%	$4,828,262.86	20.70%
TIPS	$0.00	0.00%	$0.00	0.00%
TOTAL	$19,251,281.45		$23,329,761.35	

Volunteer Firefighters Length of Service Award Fund:

Asset	Book Value	Percent of Portfolio	Market Value	Percent of Portfolio
CASH	$5,360.94	0.17%	$5,360.94	0.15%
DOMESTIC EQUITY	$2,588,851.19	83.88%	$2,869,846.80	79.32%
INTERNATIONAL EQUITY	$492,028.12	15.94%	$742,627.20	20.53%
TOTAL	$3,086,240.25		$3,617,834.94	